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Evaluation

Evaluation of the UNDP Strategic Plan, 2008-2013

Executive summary

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I. Introduction

1. The independent evaluation of the UNDP Strategic Plan 2008-2013 was originally included in the UNDP Evaluation Office work programme submitted at the annual session of the Executive Board in 2009. The purposes of the independent evaluation of the UNDP Strategic Plan 2008-2013 are to: support UNDP accountability to the Executive Board by providing evidence-based analysis; and provide input into the development of the new UNDP Strategic Plan. This is not an evaluation of the content of the current Strategic Plan but instead of the organizational and development performance of UNDP during the first five years of implementing the plan. To facilitate design and management of the evaluation, work was split between two interrelated components with associated evaluation questions.

2. First, an organizational assessment of the use of the Strategic Plan by UNDP, answering the question: How effectively has UNDP used the strategic plan to strengthen the management of the UNDP contribution to development results? This includes assessment of UNDP work in enhancing its comprehensive strategic planning system and using the Strategic Plan to then direct the organization (priorities, focus areas and approaches) and strengthen organizational accountability. Second, an assessment of UNDP development performance answering the question: How has UNDP performed during the period of the Strategic Plan in relation to the strategic intent as expressed in the Strategic Plan goals? The evaluation makes this assessment based on the following criteria: (a) effectiveness; (b) efficiency; and (c) sustainability. The evaluation does not assess the relevance of the Strategic Plan as it is assumed to be relevant at the corporate level.

3. UNDP support to the Resident Coordinator function was not included in the scope of the evaluation for reasons of feasibility and utility. In addition, the evaluation does not cover the work of the associated funds and programmes. Furthermore, this is not a comprehensive evaluation of UNDP performance over the period of the Strategic Plan since, but instead analyses whether and how major commitments brought together under the Strategic Plan have delivered against the stated intent. It also traces the logic of how the Strategic Plan is supposed to influence what UNDP does and then examines the evidence of the UNDP contribution to results, and whether they have been delivered efficiently and are likely to be sustainable. The independent evaluation was conducted in parallel to the process of preparing a cumulative review of the Strategic Plan by UNDP management. It relies less on self-reported evidence and more on independent evaluations than the cumulative review and so can be seen as complementary.

4. Multiple sources of evidence and techniques – mainly qualitative but also drawing upon reliable quantitative data, where available – were used to provide and validate evidence against the evaluation questions and to reach judgments, including:

- A meta-synthesis of evidence from independent evaluations conducted by the Evaluation Office between 2010 and 2012

- Interviews covering individuals from three cohorts of stakeholders: Executive Board members, UNDP senior management and UNDP country office management.

- Document review and administrative data analysis. Extensive use was also made of information from the enhanced results-based management system and findings compared, where relevant, with evidence from donor reviews.

II. Background

5. The original draft UNDP Strategic Plan, 2008-2011 was submitted to the Executive Board at the annual session in 2007 but agreement was not reached

on key issues contained in the draft. The current Plan was therefore approved by the UNDP Executive Board at its annual session in June 2008 after a lengthy negotiation process among member States. The strategic planning process was also heavily influenced by the triennial comprehensive policy review of United Nations development activities process, specifically the triennial review approved by the General Assembly in 2007. The Plan approved in June 2008 included an addendum containing the development and institutional results frameworks. At the annual session of the Executive Board in 2009, a decision was made to extend the Plan to 2013 and the same decision led to the alignment of the regional and global programmes to the strategic plan timeframe.

6. The Strategic Plan for 2008-2013 demanded strategic focus, even while emphasizing that national ownership of development interventions are essential. It therefore recognized that implementation requires that UNDP managers strike a balance between the requirements set out in the Plan and what is specifically demanded, and feasible, within a specific regional or national context. Two roles were clearly defined for UNDP in the Plan. The first was in supporting the promotion of coordination, efficiency and effectiveness of the United Nations system as a whole at the country level. The second role was to provide policy and technical support to the Governments of programme countries. Within the latter, the Strategic Plan document provided direction in four broad themes:

(a) **Four focus areas.** Based on assessment of demand from countries and on UNDP comparative strengths, its work should focus on the following four key areas: (i) poverty reduction and the Millennium Development Goals; (ii) democratic governance; (iii) environment and sustainable development and (iv) crisis prevention and recovery;
(b) **Six key approaches.** In addition to the areas of focus described above, the Strategic Plan was explicit about the approaches that UNDP should utilize in delivering that support: (i) human development-based approach to programming; (ii) national ownership (iii) capacity-building and development; (iv) mainstreaming South-South cooperation; and (v) mainstreaming gender equality and empowerment of women;
(c) **Four country typology and regional priorities.** The Strategic Plan was explicit in recognizing the special needs of Africa, the least developed countries, land-locked developing countries and small island developing States and that they must be taken into consideration, especially with regard to capacity development. It was not made clear how this was to be operationalized, specifically what special consideration would entail;
(d) **Four areas where UNDP should not engage.** The Strategic Plan clearly stated what UNDP should not normally engage in, specifically: (i) specialized sectoral activities; (ii) small-scale projects without countrywide impact; (iii) infrastructure with no capacity-building; (iv) stand-alone procurement of goods and services. One caveat mentioned is that UNDP, as part of United Nations country team response to national demand, will stand ready to serve as the "provider of last resort" in case of a national capacity deficit or crisis, when specifically asked to do so.

7. The Strategic Plan set out the basis of the accountability framework with accountability as an overarching theme among UNDP management priorities. In order to provide greater transparency on the use of all UNDP resources, the Strategic Plan set out the integrated financial resources framework so that the Executive Board and other stakeholders could see a clear link between the strategic priorities outlined and the resources required to achieve them. The Strategic Plan specifically set out requirements and guidance for monitoring and reporting to the Executive Board and at the national level. The total financial expenditure for the first five years of the Strategic Plan totalled $19.7

billion. Of this, only 11 per cent ($2.2 billion) was from UNDP regular resources. The vast majority of other resources were from donor countries (65 per cent of the total for the period 2008-2012) with local (programme country) resources accounting for approximately 23 per cent.

III. Findings on performance

Effectiveness

8. Although assessing performance across the organization is challenging, it is nonetheless possible to identify some broad findings related to effectiveness and the factors affecting it. Evidence on performance largely comes from analysis and synthesis of evaluations that in turn base their assessments on contribution to national outcomes. Delivering the intended change in an outcome ultimately depends upon the actions of a wide range of stakeholders and given the nature of what UNDP provides, successful delivery of UNDP results is likely to reveal constraints elsewhere as much as within the organization.

9. **Finding 1: In terms of effectiveness of contributions at the country level, UNDP is likely to have made, or make, a significant contribution to the intended outcomes in most of its country programmes and across all four focus areas.** Country office self-reporting through the results-oriented annual report (ROAR) suggests that the majority of outcomes were achieved (15 per cent) or on track (78 per cent) at the time of reporting over the period 2008-2012. Very few were reported as being off-track across all regions. The evidence from the meta-synthesis of Assessment of Development Results is less positive. While it suggests that in most cases outputs of projects and programmes are delivered, in terms of the effectiveness of contributions, the overall rating suggests that in just over half of the country programmes, UNDP is likely to have made, or make, a significant contribution to the intended outcome in most of its programme. Although the ADRs use the same framework of outcomes as the ROARs, they make an assessment at the end of the programming cycle rather than on an annual basis.

10. No significant variation of performance across the UNDP four focus areas was found in the ADR analysis. This finding is also consistent with evidence from self-reporting through the ROAR and suggests that the major factors affecting the UNDP contribution are not particularly related to the broad goal areas in which it works. However, in practice, the focus areas each encompass a wide range of different areas of support, and the evidence suggests that there may be significant variations in performance across the corporate outcomes. Evidence from the ADRs would also suggest that given the nature of what UNDP does, the outcomes to which it is supposed to contribute take time to achieve and will be unpredictable. Hence, to the extent possible, UNDP support, both in terms of what it does and how, needs to be embedded in a keen appreciation of the overall context. The need to understand context in turn makes it challenging to judge whether performance, in the short to medium term, has been good or bad.

11. **Finding 2: A major reason for non-delivery of planned outputs is the under resourcing of projects due to the earmarked nature of funds.** UNDP financial data show that most country programmes are successful in mobilizing more resources than the expectations reflected in the country programme documents. What these aggregate figures mask, however, is the imbalance in resource mobilization across outcomes or outputs. Clearly for an organization relying on core resources for only 11 per cent of its programme expenditure, programming becomes a major challenge. Inevitably at the point when the country programme starts, only a portion of the funds required to deliver against it is assured. The outcome statements and supporting outputs across the country programme results frameworks are therefore, to varying degrees,

statements of intent. What evidence is available from evaluations suggests that a major reason for non-delivery of outputs is often the lack of resources that can be mobilized for them.

12. **Finding 3: In order to increase effectiveness, learning needs to be strengthened at the country level across the organization.** Support to national efforts to learn about what works, in what contexts and for whom, is essential if UNDP is to increase its effectiveness. A number of thematic evaluations – on local governance and on national capacity development - have noted poor learning by the organization. The recent evaluation of the UNDP contribution to poverty reduction concluded that UNDP poverty reduction is seriously compromised by the absence of adequate support to learning about what works and why. In most regional programme evaluations, although the potential for the regional programmes to promote more effective knowledge management is noted, they have not fully lived up to that potential. The evaluation of the global programme concluded knowledge production and sharing is not considered a strategic programming priority and is not internalized as part of programming.

Efficiency

13. As part of its efforts to enhance organizational efficiency UNDP monitors the Management Efficiency Ratio (total management expenditure divided by total management and programme expenditure). Since the start of the Strategic Plan the organization has been consistently above target. Yet, while it may be interesting to monitor this from a management perspective, from a development one, it can mask differences in the business models used by different units. The following analysis therefore takes a different approach and distinguishes between two types of efficiency: First, Administrative Efficiency based on timeliness in executing programmes, use of human resources and use of management information systems. Second, Programmatic Efficiency based on the extent to which UNDP has or has not prioritised and concentrated its programme in a set of core activities rather than a fragmented set of programmes/projects that strain its capacity to manage efficiently. However, the treatment of efficiency in evaluations used is inconsistent, both in terms of depth of analysis and sharing of a common understanding, so the evidence is only sufficient for flagging major areas of concern rather than making a definitive judgment of where the problems lie across a sample of country programmes.

14. Finding 4: Even though measuring UNDP efficiency is difficult, the existing evidence is that strengthening the efficiency of projects and programmes is a major challenge. The meta-synthesis revealed a large number of country programmes face challenges with getting projects started on time. Once implementation starts, timely disbursement of funds is often a problem. A further administrative problem identified in evaluations is that UNDP does not maintain adequate oversight of the projects/programmes. Overall, the ADRs would suggest that there are three major reasons causing inefficiency of administration:

(a) UNDP administrative systems are too complex to operate efficiently, especially in fast- moving situations. However, whether it is actually the complexity of the systems or a lack of capacity to use them is open to question, as some country programmes can apparently operate them efficiently and not all projects/programmes encounter problems;

(b) In some cases, UNDP staff and partners at the project/programme level do not have the requisite skills to operate the systems. This is a particular problem in scenarios where project managers get drawn into resolving the administrative issues with the projects;

(c) Some UNDP offices have a portfolio with many small projects/programmes, and given that there is a fixed cost associated with each

project/programme, irrespective of size, this negatively affects capacity within the office.

15. The causes outlined seem to suggest that inefficiency to some degree reflects a series of trade-offs being made by management. For example, country offices, on the one hand, are assessed against the degree to which funds are spent on time. On the other hand, in order to strengthen national ownership they have also increasingly moved to national implementation of projects and programmes. Hence, UNDP efficiency at the project/programme level increasingly becomes a function of the capacity of national partners. Context, therefore, becomes a key factor in determining efficiency and this is something that can only be assessed at the country level and not through summary indicators that are aggregated at the corporate level.

16. **Finding 5: In terms of programming efficiency, most of the country programme portfolios are not prioritized and not focused on a set of core activities.** Since the start of the Strategic Plan, there has been a decline in the number of outcomes reported on each year from an average of 8.7 per country programme to 7.4. This indicates a move in the right direction and a small increase in focus in terms of the number of outcomes. More importantly, there has been a significant decline of nearly 50 per cent in the number of project IDs (i.e., an output) in country portfolios. By themselves, the above indicate a more focused organization, but macro-level aggregated data hide some of the subtleties of analysis undertaken at the country level through the ADRs. This analysis finds that although UNDP country programmes are aligned to the broad outcomes specified in the Strategic Plan, most of the country programme portfolios are not prioritized and focused on a set of central activities appropriate to the strengths and capacities of the office. Instead, the ADRs find a fragmented set of programmes/projects that the country office cannot manage efficiently. Three reasons explain the proliferation of unfocused programmes:

(a) In over half of the country programmes (14 out of the 26 programmes with information), it reflected the difficulty in implementing a more programmatic approach. To varying degrees this also reflected the challenge with managing the UNDP wish to be responsive to national demands, which is consistently identified as one of the organization's strengths, with an ability to decline a request for support based on a lack of capacity. Country offices interviewed noted that this is often easier said than done;

(b) In a third (8 out of the 26 programmes) of the country programmes, setting of unrealistic programme objectives relative to the level of funding available was identified as the problem;

(c) Lastly, three ADRs reported that country programmes reflected a programming approach dominated by the search for funds rather than programmatic logic.

17. Operationalizing this strategic programmatic approach remains a challenge for many country programmes, as it involves trade-offs. For example, the ADRs consistently highlight UNDP responsiveness to government requests as a strength of the organization, yet the evidence suggests that if taken too far, it often seems to lead to portfolios dominated by small projects that appear unfocused and strain the already slim management and technical capacity of UNDP at the country level and hence adversely affect its longer-term effectiveness.

Sustainability

18. Almost by definition when looking at the activities conducted since 2008, it will be too early to make a judgement on the sustainability of many of them. The assessment therefore focused on the likelihood of sustainability, and specifically, whether UNDP projects implemented strategies to manage possible threats to the sustainability of results. The findings below may well refer to the period before the start of the Strategic Plan but even though the problem of sustainability has been reported for some time, there is no evidence

of a concerted effort to address the fundamental issues that surround it in the ADRs. This is not withstanding efforts undertaken in UNDP headquarters to address the issue of sustainability of results through monitoring sustainability and creating necessary incentives.

19. **Finding 6: Programmes are seldom designed with sustainability in mind. The UNDP funding model also adds to the sustainability challenge.** UNDP invests significant resources in country programming and ensuring that its programmes are aligned with national priorities and government policy. In addition, UNDP has increasingly attempted to use the national implementation modality in its projects, on the assumption that this will enhance both national ownership and capacity, thus leading to enhanced sustainability. The overall finding from examination of ADRs is that the likelihood of the sustainability of the outcomes to which UNDP is contributing is poor. The assessment reflects a number of issues common across the country programmes:

(a) The sustainability of results is rarely considered in detail as part of the selection and design process for support. Nor is there evidence of management for enhanced sustainability being a major focus of project/programme management. In no ADR was a country programme identified in which consideration of exit strategies had been explicitly mainstreamed across the portfolio of support as a matter of course;

(b) Since UNDP has no control over its resources in the long term, sustainability of the benefits is often related to the sustainability of the intervention itself and is therefore often at risk. In the case of many of the community-based interventions, support was often withdrawn before community- level capacity had been established;

(c) In the country programmes examined, the more strategic approach to capacity development found within UNDP internal guidance was not found in most cases.

IV. Findings on use of the Strategic Plan

20. The Strategic Plan contains all the elements expected in a stand-alone strategic planning document, although it should be assumed that it would be implemented through the overall corporate-level planning, and other, systems. The effectiveness of the Strategic Plan therefore depends upon whether these other systems are in place, how the Strategic Plan interacts with them, and the effectiveness of these systems.

21. **Finding 7: UNDP has established, and is in the process of strengthening, a comprehensive strategic planning system with the Strategic Plan at its core.** The mid-term review of the Strategic Plan conducted in 2010/2011 was used by UNDP to operationalize its commitment to the Executive Board to improve how it monitors and reports on results under the Strategic Plan and to be responsive to partner feedback and evidence from evaluations and other sources. As already noted, it resulted in the approval of new results frameworks but it also set the basis for further reform of strategic planning in UNDP. In April 2011 the UNDP Administrator launched the Agenda for Organizational Change and UNDP embarked on "a multifaceted agenda to lift performance – from good to great". As a core part of achieving the Agenda results, UNDP rolled out a substantially upgraded corporate strategic planning system in the last quarter of 2011. The system builds upon and integrates several existing tools and processes. It was proposed to develop the system progressively during 2011-2013 so that it is fully functioning in time for the next Strategic Plan, starting in 2014. The main ideas introduced include: (a) the Annual Business Plan – a flexible and adaptable tool that can identify year-after-year what it will take to deliver on the results in the Strategic Plan; (b) an integrated budget that will bring together regular and

other resources.

Providing direction to the organization

22. Providing direction to the organization is seen as the core role of the Strategic Plan. This section examines how effective UNDP has been in this respect. Four specific elements of the Strategic Plan are examined: (a) focus areas; (b) core strategies; (c) mainstreaming efforts; and (d) areas where UNDP would not normally engage. Factors influencing those areas are also examined.

23. **Finding 8: UNDP has been increasingly successful in aligning its work to the four broad focus areas.** All streams of evidence indicate that the description of areas of UNDP support in the Strategic Plan, paragraphs 71 to 121, is an accurate representation of the areas in which UNDP works. From the 30 country programmes examined through ADRs, there is little evidence of substantial UNDP support outside these areas. That is confirmed by evidence from the UNDP ERBM system, which shows a decrease in non-aligned outcomes from nearly 4 per cent of the total in 2008 to 1 per cent in 2012. Consistent with the above, a high degree of alignment is the dominant perception across all cohorts of interviewees. Many of those interviewed, however, commented that the mandate is so broad that virtually anything can be aligned to it within the focus areas.

24. **Finding 9: UNDP has put in place systems to actively manage greater implementation of some, but not all, of the core strategies identified in the Strategic Plan.** The Strategic Plan included a number of approaches that the organization was expected to implement. As UNDP is currently managed, if implementation of an approach is a priority, one would expect to find: (a) a clear statement (definition) of what needs to be implemented; (b) guidance to managers on how it is expected to be implemented; and (c) a system in place that allows senior management to check whether it has been implemented and what adjustments need to be made to overcome challenges. The evidence suggests that this method has not been adopted by UNDP for several key strategies highlighted in the Strategic Plan.

25. UNDP has not put in place systems to actively encourage a human development-based programming approach across the organization or to check that it is used. While human development may implicitly be considered in programming processes, there is no evidence of an explicit and systematic approach to programming based on its principles. Although it can be argued that the idea of human development is so strong that programming is automatically based on its principles and goals, the absence of systems that explicitly set out what is different when using a human development-based programming approach would suggest that gaining buy-in from partners would be challenging.

26. In contrast, UNDP does have a definition of what it understands capacity development to mean and has issued extensive guidance on how to approach this issue. In 2011 UNDP introduced the "capacity development tracker" to monitor the implementation of capacity development activities. Along with the tracker, substantial work has been done to increase the support to practitioners on better measuring results through the guidance note on measuring capacity development and the introduction of capacity development questions in the ROAR. Despite the fact that the UNDP approach to supporting capacity development clearly and consistently highlights that a strategic approach must be undertaken, there is little evidence from independent evaluations that this approach has been systematically implemented across most UNDP work. Evidence from the thematic and ADR evaluations is consistent in this regard. Capacity development is still, in most cases, perceived in terms of provision of

training. Four of the thematic evaluations explicitly indicate, however, that UNDP can implement the approach intended and that it adds value.

27. Although the definition of national ownership as used in the international development community can be ambiguous, in the Strategic Plan it refers to ownership by Governments of programme countries. UNDP provides guidance on engaging with government in the programming, project development and project implementation processes. This engagement is aimed at promoting national ownership and such processes are monitored. The Strategic Plan also sees national implementation as vital for enhancing national ownership and although national implementation is the default modality for UNDP, between 2008 and 2012 the proportion of total procurement using this modality has been consistently half of the total (by value). The ADRs show that while national implementation may be necessary for true national ownership, by itself it does not appear to be sufficient to ensure it.

28. Aid effectiveness is included in the Strategic Plan among the other strategies and context of this analysis it is assumed that is an approach aimed at promoting internationally agreed agreements on aid effectiveness, i.e., dealing with the broader engagement of programme countries with international development cooperation rather than focusing on national ownership in UNDP engagement. Although UNDP support in this area is provided on-demand and not systematically to all country offices, guidance has been prepared for the programmatic interventions in the spirit of the aid effectiveness approach. In addition, UNDP has started to monitor the implementation of the aid effectiveness approach and after the midterm review in 2011, the ROAR was revised to include relevant questions.

29. **Finding 10: UNDP success with mainstreaming gender equality and South-South cooperation has been mixed.** Mainstreaming means making an idea practical by integrating it into everything the organization does. But to do this, there is a need for specific tools and guidance, continuous monitoring and an overarching strategy with clear objectives and benchmarks for achievement.

30. UNDP has made great efforts to support gender mainstreaming. The UNDP Gender Equality Strategy 2008-2011 describes in detail how UNDP can achieve each of its goals so as to take account of men's and women's specific needs, interests and contributions. As such, it parallels and amplifies the UNDP Strategic Plan 2008-2011, and was designed to be read and implemented in conjunction with it. It includes practical tools to help programme units undertake mainstreaming. Other major efforts to strengthen mainstreaming include: (a) establishing the Gender Steering and Implementation Committee; (b) introducing the gender marker across the organization in 2010; and (c) introducing in 2011 the Gender Equality Seal.

31. Since 2008, external assessments of UNDP performance have commended UNDP work in support of gender equality. In 2011, UNDP completed a review of the gender strategy, which had generally positive findings. Although data from the gender marker implies a steady increase in the gender content of UNDP projects since 2008, analysis of evaluations is consistent with the gender equality strategy review finding that, despite notable improvements, gender mainstreaming in project and programme activities remains uneven and ad hoc. Half of the 30 country programmes examined were rated as having successfully mainstreamed gender into the UNDP programme and the evidence suggests that country programmes have indeed been taking more care to deal with gender issues. In the other half of the country programmes examined, the

most frequently cited factor limiting gender mainstreaming into the UNDP country programme was the absence of a systematic approach to gender analysis during programme design. In general, findings/conclusions from the thematic evaluations broadly support those found in the ADRs.

32. The recent evaluation of South-South cooperation found that UNDP has strong comparative advantage in supporting and facilitating such cooperation. UNDP could play an important and critical role in supporting programme countries to scale-up successful South-South initiatives. Moreover, UNDP brokering of South-South knowledge exchanges and learning experiences has produced immediate and short-term benefits for participants with the potential to evolve into more institutional and country benefits. It has also contributed to regional integration efforts, for example, within the African Peer Review Mechanism. Country ROARs indicate that South-South cooperation has now been integrated into UNDP country programmes worldwide: in 2011, reports show that support to South-South cooperation has taken place in 645 of 995 country outcomes in 152 countries.

33. Notwithstanding the above, in terms of implementing the approach set out in the Strategic Plan to mainstream South-South cooperation within its programmes, the evaluation found that there is uneven progress. Since the start of the Strategic Plan, UNDP has made several efforts to formulate a South-South cooperation strategy that would help mainstreaming support to such cooperation but these efforts have not yielded concrete results. Various monitoring mechanisms have been initiated during the Strategic Plan by UNDP management but while these efforts are commendable, they need to be further strengthened. There is much good will among UNDP personnel towards increased integration of South-South cooperation into UNDP operations at the country and regional levels, but the lack of dedicated resources and budgets, specific tools and operational guidance, continuous monitoring and an overarching strategy with clear objectives, benchmarks and incentives for achievement was found to produce practical shortfalls.

34. **Finding 11: UNDP country offices often do things the Strategic Plan states it should not normally do: specifically, undertaking downstream activities with no linkages to policy reform.** The Strategic Plan identifies a number of activities in which UNDP should not engage. In 25 of the 30 country programmes examined, undertaking such activities was a major or significant component. UNDP did generally not engage in specialized sectoral activities or infrastructure with no capacity-building, suggesting that the organization has respected these two directions. The key issue is that the Strategic Plan specifically directs that the organization should not normally engage in small-scale projects without country-wide impact. UNDP leadership has repeatedly instructed country offices to address this issue since 2009, although it will take time before it will be possible to see whether and how country programmes have responded to these instructions.

35. Evidence from evaluations conducted in 2010, 2011 and 2012, however, confirms that management is correct to focus on this issue, as they indicate that the degree of alignment to this Strategic Plan direction remains unsatisfactory. Overall, the evidence suggests that UNDP country offices do not usually select and design downstream projects to maximize the production of credible evidence that can then be used to influence policy dialogues. In addition, with some notable exceptions, many country programmes do not seem to invest enough in assessing whether the conditions that would mean that a pilot would be well-received are in place. Looking to the future, the UNDP Bureau for Development Policy is supporting a more integrated and strategic approach to scaling up local development and local governance interventions that may have wider lessons on how the organization can address this issue.

36. **Finding 12: The trade-offs between corporate priorities and the demands of programme partners and competing programming frameworks have added challenges to UNDP use of the Strategic Plan in providing direction.** Informants from all cohorts recognize the challenge facing UNDP in the trade-off between, on the one hand, corporate priorities and focus, and on the other, responding to the demands of programme countries and where resource mobilization opportunities lie. Yet while recognizing the trade-off, many Executive Board members and some UNDP managers believe UNDP should be more focussed, more disciplined and better at saying no. Similarly, many believe UNDP should be more strategic, looking for areas where it can really make a difference rather than focusing on resource mobilization. The role of the Strategic Plan is also complicated by the fact that it is not the only strategy that affects programming intentions at the country level. For example, country offices interviewed noted the importance of the United Nations Development Assistance Framework (UNDAF) process as the starting point for country programming and this issue is taken further in the next finding.

Communicating UNDP focus and strengths

37. The Strategic Plan notes that it should play a role in communicating the focus areas and areas of UNDP comparative strength. Its ability to do so can also be included among the factors influencing UNDP senior management's ability to provide direction to the organization.

38. **Finding 13: The Strategic Plan was important for communicating internally between UNDP management and the Executive Board but was less effective in communicating across all UNDP partners.** The Strategic Plan was successful, but to differing degrees, in communicating its role internally and externally. There was a common understanding of its role in setting out the mandate, vision, and/or strategic focus of the organization. It also provides direction in terms of the four focus areas. Views on how it should be used to communicate these are more varied. Executive Board members and UNDP senior management interviewed generally agree that UNDP has not been able to communicate enough what it stands for. Given this situation, UNDP developed additional tools to help in this area, specially strengthening its web presence (including at the country level), using social media and disseminating its illustrated annual report. UNDP monitors whether the country office website is updated and reflects key UNDP priorities but the data show that UNDP country offices are below the corporate targets in this respect. Country offices appear to see little use for the Strategic Plan for communicating with external partners even when programming. There is also a perception at the country level that the visibility and importance of the Strategic Plan has declined over time.

Promoting greater accountability

39. The implementation of the Strategic Plan has also coincided with increased demand for accountability by taxpayers in countries providing resources to UNDP and then in turn by the development agencies of these countries. This demand has been captured in the idea of value for money and the need for greater clarity on reporting results.

40. **Finding 14: Accountability through monitoring and reporting of performance under the Strategic Plan has improved over time.** UNDP made efforts to strengthen the performance monitoring system since the approval of the Strategic Plan. In 2007 the evaluation office undertook an evaluation of results-based management in UNDP and implementation of the recommendations set the basis for developing a stronger system and culture of

results in the organization. The new results framework introduced after the midterm review was generally well received by Executive Board members. Of those interviewees who addressed the question, most believe UNDP has become a more results-oriented organization. This is a good example of the importance of commitment by leadership in pushing forward an important reform agenda. Continuous efforts have been made to strengthen the reporting process during the implementation of the Strategic Plan. Accountability has been strengthened by the important progress UNDP has made during the present Strategic Plan period in terms of the transparency of its operations and performance. UNDP Senior Management is cognizant of the problems with reporting and clearly senses the frustration of many Executive Board members who have issues with the system.

41. **Finding 15: The system of decentralized evaluation is not working well and while steps have been taken to improve overall utilization of evaluation, it is not as high as it could be.** There were a total of nearly 1,300 UNDP-decentralized evaluations (including UNDAF evaluations) uploaded onto the evaluation resources centre between 2008 and 2012, which means an average of approximately nine per country office over the five-year period. Coverage by decentralized evaluations between 2008 and 2012 across the four focus areas has been quite even. Decentralized evaluation by programme units remains weak and of all decentralized evaluations that were assessed in 2012 only 30 per cent rated in the satisfactory or highly satisfactory categories (a large increase from 20 per cent the previous year). UNDP management has made important efforts since the start of the Strategic Plan to increase utilization of evacuation. For example, independent evaluations that are due to be presented to the Executive Board are discussed in regular senior management meetings together with their management responses. In addition, implementing actions set out in management responses can be used as a proxy for assessing evaluation utilization. According to the data on management responses to independent evaluations available in the ERC, there has been insufficient effort to do so. Of the 52 ADRs conducted between 2008 and 2012, 15 per cent of all actions are ongoing (with a due-date) and overdue. For thematic evaluations, the figure is 31 per cent.

V. Conclusions

42. **Conclusion 1: Overall, UNDP is a stronger organization that it was when the Strategic Plan was approved. It also faces a very different context than five years ago, including stronger demands and higher expectations from donors and programme countries alike. In terms of development performance, UNDP has continued to make an important development contribution across all its focus areas but efficiency and sustainability remain challenging.** It was found that in terms of effectiveness of contributions at the country level, UNDP is likely to have made, or make, a significant contribution to the intended outcomes in most of its country programmes and across all four focus areas. Within the broad focus areas within which it works, some themes are clearly strengths. Examples of the areas where UNDP works well can be identified from recent thematic evaluations:

(a) UNDP has made an important contribution to national efforts aimed at pro-poor policy development in most of the programme countries where it works. In particular, it has helped strengthen the pro-poor enabling environment for policy-making and this type of support remains a comparative strength for the organization in many countries.

(b) UNDP is one of very few international organizations able to operate "at scale" across multiple programme areas, before, during and after the outbreak of conflict. This work directly links to the broader UNDP emphasis

on achievement of the Millennium Development Goals and to UNDP cross-cutting priorities, such as women's empowerment.

(c) UNDP has made significant contributions towards strengthening electoral systems and processes. The UNDP framework for electoral assistance is well conceived and enables an effective response, if applied appropriately.

(d) UNDP remains an important conduit for development funding. This is particularly clear in the case of partnership with global funds, where strategic, corporate level linkages are cultivated and maintained.

43. UNDP is not alone in facing the challenges of efficiency and sustainability. In supporting national ownership of the implementation process, inevitably UNDP will not be in control of the implementation process and to some extent the degree of management efficiency. Equally, sustainability of the results to which UNDP contributes is often beyond its control, capacities and incentives need to be introduced to ensure that this issue is considered at the time of design. Moreover, both efficiency and sustainability are difficult to measure and context specific.

44. **Conclusion 2: Through various initiatives centred on the Agenda for Organizational Change, UNDP has strengthened the overall strategic planning system with the Strategic Plan at its core. There is still much to do and while the Agenda for Organizational Change explicitly noted the need to start with headquarters and regional centres, the move to strengthen country offices and to clarify roles and responsibilities at all three levels is urgent.** It is too early to assess the effectiveness of the **Agenda for Organizational Change** as the umbrella for a series of reforms aimed at strengthening UNDP organization and management. Nonetheless, UNDP management has started an effective process to take forward the Strategic Plan and strengthen the planning and management systems that surround it. This is especially important given the nature of the Strategic Plan as a political, and therefore negotiated, document that did not please all factions within the Executive Board and is, inevitably, the result of compromise. UNDP by design is a highly decentralized organization and it is clearly at the country level where the greatest contribution is made. It is also here where capacities – as much institutional as individual – are often weakest. Limited learning at the country level – and therefore by default between countries and regions - is an important constraint affecting UNDP organizational and development performance. If UNDP is truly to become a learning organization, then extra efforts will need to be made and appropriate incentives and capacities introduced at the country level.

45. **Conclusion 3: UNDP effectively used the Strategic Plan to direct the organization towards the four broad focus areas but the implementation of all the approaches at the programming level as intended in the Strategic Plan document (for example, the human development-based approach to programming and mainstreaming South-South cooperation) was not ensured. Even where major efforts were made (such as in gender mainstreaming and capacity development) incentives and capacities to ensure country-level implementation were not adequate.** Although capacity-building and development represent the "overarching contribution of UNDP", the organization has not been successful in adapting this approach to the wide range of contexts within which it works. Moreover, the UNDP strategy and its component parts have led to fragmentation in programming due to the lack of a unifying principle, even though the Strategic Plan explicitly stated that this should be human development. All the elements of a useful strategic planning tool are there for the organization to take a strategic management approach. The Strategic Plan document set out the goals,

approaches and priorities for the organization and a framework to facilitate accountability in achieving or implementing them. As far as capacity development and gender mainstreaming are concerned, the organization made great efforts to design tools and guidance for country offices. But in other cases – South-South cooperation, human development – neither of these essential elements of success was developed sufficiently to comply with the approach set out in the Strategic Plan. Yet while UNDP has made efforts to develop tools and guidance at headquarters, these efforts have not been sufficient to ensure that country offices and other programming units have implemented these approaches. This has implications for support, oversight and country-level incentive structures.

46. **Conclusion 4: UNDP did not adequately support country offices in addressing the trade-offs between the approaches and/or priorities identified in the Strategic Plan. For example, the trade-offs between national ownership and organizational priorities or the trade-off between long-term capacity development needs and short-term results.** While the Strategic Plan sets the direction, UNDP management needs to address the inherent trade-offs that it contains. Basing the scope of UNDP work on existing demand does not preclude different demands in the future. At the same time, while the focus areas are based on demand, the approaches contained in the Strategic Plan may not be. For example, the importance of responding to national demands may also have reduced the incentives to ensure implementation of corporate approaches. These may also be reasons for the continuation of downstream projects with little link to policy. National demand may also result in a programme that is too broad to be efficiently managed or for which appropriate capacities are not available at the local level. Greater guidance needs to be developed to help country offices address tensions between national demand (however defined) and organizational goals. At the same time, UNDP comparative strengths lie not just in its technical areas but also in its long-term commitment, flexibility and speed through country-level decision-making. As a result of the long-term approach, UNDP has the potential to engage in complex capacity development initiatives and in support to national learning from different strategies. Both these areas have presented challenges to UNDP.

47. **Conclusion 5: UNDP funding arrangements and reliance on non-core funding present challenges to effective programming and limit performance as assessed by the effectiveness, efficiency and sustainability criteria.** While UNDP is committed to long-term engagement with programme countries, it has no control over its resources in the long term. In some circumstances, sustainability of benefits can be related to the sustainability of the intervention itself and can therefore be at risk. Effectiveness was seen to be affected by the difficulty in mobilizing adequate resources to undertake activities contributing to specific outcomes. Moreover, the reliance on largely unpredictable non-core resources results in challenges to maintaining programme focus. This is especially true when country offices struggle to maintain a critical mass of staff with limited core resources making the imperative to mobilize resources very strong. This challenge presented by the funding model is so important that the logic of having a country programme in a situation where only a small percentage of resources can be programmed needs to be examined. Keeping within the framework of the UNDAF and focusing on projects (and by default results in terms of project outcomes) may be a more appropriate approach. This could be especially effective where UNDP country offices are focused on only a few core initiatives in which they are able to exploit their comparative strengths and develop appropriate partnerships.

48. **Conclusion 6: The performance monitoring and reporting system has been strengthened over time. Yet it is not optimal for a highly decentralized organization working on complex development issues where context is extremely important. This is an issue at the heart of its performance monitoring and reporting challenges. To create a more appropriate performance monitoring and assessment system, the country programme should be the unit of analysis.** An adequate system to assess performance across the organization is an essential part of the management of any organization. The decentralized nature of the organization, very rare among development organizations, is a major strength; it allows UNDP the flexibility to adapt to different contexts and greater national ownership of programmes. Yet it also requires a different approach to monitoring and one where context plays a role. Such an approach is logically consistent with the Executive Board-approved country programme document and with the Country Programme Action Plan as the nationally owned basis of implementing the programme. Accountability to government is already facilitated though annual Country Programme Action Plan meetings, a system run in parallel to the annual reporting process to UNDP senior management, and through the annual report of the Administrator, to the Executive Board.

VI. Recommendations

49. **Recommendation 1: The new Strategic Plan needs to be clear about the direction it wants UNDP to take and UNDP management needs to ensure that adequate tools are put in place to support and monitor implementation of the strategies and priorities contained in the plan.** A key conclusion was that efforts to implement priorities and approaches were mixed and not carefully monitored from the start of the Plan. Even though the role of the plan is to provide direction, the role of UNDP management is to operationalize and implement this direction through ensuring clarity of concepts and approaches, developing tools such as guidance, and monitoring its implementation. Yet, the examples of capacity development and gender mainstreaming suggest that guidance and monitoring are not enough to ensure implementation of the approaches identified in the Strategic Plan. Even combined with strong leadership the central actions are necessary but not sufficient to guarantee implementation.

50. **Recommendation 2: The new Strategic Plan needs to explicitly address the trade-offs that occur as a result of the UNDP business model. The** UNDP comparative strengths are not just in parts of its focus areas but, inter alia, in its long-term commitment and in general its position as a trusted partner. These are elements of an underlying "theory" of how UNDP works that is operationalized through a business model. The trade-offs faced by UNDP are inherent in any business model and need to be made transparent with decisions made by the Executive Board as to the UNDP position. Specifically, agreement must be reached on the trade-offs in two areas: first, between national ownership and organizational priorities with clear organizational approaches, strategies and focus combined with guidance for programme units when faced with a potential trade-off.; and second, the trade-off between addressing long-term capacity development needs and short-term results which requires a review of the incentives faced by programme units when reporting on results and the investments in processes of innovation, learning and adaptation that are required if long-term capacity developing is to be effectively supported.

51. **Recommendation 3: The new strategic plan should emphasize the priority of support at the country level, and explicitly recognize that no matter how good the work is at the centre, it is at the country level where the difference is being made.** Effective support to strengthening country offices must be the priority of UNDP central and regional support. Taking into account context variability, the generation of coherent policy support needs to be anchored at the regional level. For its central research function, in the spirit of one-United Nations and in order to prevent duplication of work, UNDP should work more closely with the United Nations Secretariat Department of Social and Economic Affairs and the United Nations University. Moreover, to overcome the tendency to work in silos, sustainable human development as a unifying principle should be explicitly at the centre of country-level programming. Practical support and guidance needs to be provided to ensure that this becomes a reality.

52. **Recommendation 4: When assessing performance, the new Strategic Plan needs to take the country programme as the unit of analysis. This will allow a more realistic and meaningful assessment, taking into account the country-level context.** In complex development situations and areas of intervention, the role of context is vital in determining performance. The contexts and areas in which UNDP works can only be fully internalized if performance assessment is made at the country level (i.e., the country programme). Taking the country level as the unit of analysis for performance in terms of contribution to outcomes would still require country office reporting on approaches and outputs for aggregation at the corporate level. Moreover, a focus on the country programme would allow the monitoring and evaluation systems to be vertically integrated so that selected independent evaluations could validate (or not) the performance assessment made through the monitoring system.